Repercussions of wall street crash on Indian Stock Exchanges

382. SHRI CHATURANAN MISHRA:

SHRI SURAJ PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the Wall Street crash recently;

(b) if so, whether it will have its repercussions on the Indian Stock Exchanges also; and

(c) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) Yes, Sir.

(b) No adverse repercussions of the Wall Street Crash have been felt on Indian Stock Exchanges.

(c) In view of answer to part (b) above, the question does not arise.

Internal debt trap

383. DR. H. P. SHARMA: Will the Minister of FINANCE be pleased to state:

(a) what is Government's reaction to the Reserve Bank of India's warning against the internal debt trap';

(b) what are the dimensions of the short and long-term debt liabilities and their servicing charges of the States and the Centre; and

(c) what steps the Centre propose to recommend to the States whereby the major part of their revenue would be directed towards developmental activities instead of being consumed by debt servicing.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) Government is not in receipt of any such communication from the Reserve Bank of India.

(b) and (c) The total liabilities at the end of 1986-87 were estimated at Rs. 1,63,958 crores. Details are given in the document Receipt Budget 1987-88 circulated alongwith the Budget for 1987-88. Debt servicing charges by way of interest in 1987-88 are estimated at Rs. 10650 crores. Information relating to States will be available in the Budget and accounts of the State Governments concerned. The terms of reference given to the Ninth Finance Commission include assessment of debt position of the States and suggestions of such corrective measures as deemed necessary.

Issues raised at the World Bank and IMF Meet

384. DR. H. P. SHARMA: Will the Minister of FINANCE be pleased to state:

(a) what were the major issues raised at the last meeting of the Policy Making Commitee of the World Bank and International Monetary Fund in Washington; and

(b) what were the specific recommendations of the Committee regarding increase of the capital base of the Bank, substantial allocation of SDRs and increased structural facility for the I.M.F.?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) The main subjects discussed at the meeting of the Development Committee held on September 28, 1987 were:

(i) Proposal for action for low-income countries facing exceptional difficulties, especially the seriously indebted countries in Sub-Saharan Africa;

(ii) Growth-oriented programme in the heavily indebted middle income countries;